

Message Text

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SUBJECT: EC/SWISS SCHEME FOR LAYING UP INLAND WATERWAY BARGES

REF: (A) 75 STATE 294185, (B) 75 GENEVA 9093, (C) EC BRUSSELS 5832,
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1. BEGIN SUMMARY: MOST ISSUES REGARDING THE EC/SWISS CONVENTION FOR LAYING-UP OF INLAND WATERWAY BARGES HAVE BEEN SETTLED. PROBLEMS STILL REMAIN BETWEEN THE MEMBER STATES ON THE SITE OF THE LAYING-UP FUND (STRASBOURG OR DUISBURG) AND WHICH BODY WILL TAKE ON THE SECRETARIAT FUNCTIONS. SHIP-BORNE BARGES WILL BE TAXED ONLY WHEN THEY LEAVE THEIR PORT OF ENTRY AND PROVISION HAS BEEN MADE FOR POSSIBLY REVISING THEIR STATUS AT A LATER DATE. THE COMMISSION HOPES THAT THE EC COUNCIL WILL AGREE ON THE REMAINING OUTSTANDING ISSUES DURING THE NEXT SEVERAL MONTHS. END SUMMARY.

2. IN RESPONSE TO REFTEL A THE MISSION OBTAINED A STATUS REPORT FROM COMMISSION OFFICIALS ON THE PROPOSED EC-SWISS CONVENTION ON LAYING-UP INLAND WATERWAY BARGES. ALMOST ALL CONVENTION ISSUES HAVE BEEN AGREED UPON BETWEEN THE EC AND THE SWISS. HOWEVER, SOME "POLITICAL" ISSUES HAVE TO BE SETTLED BETWEEN THE MEMBER STATES,
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E.G. THE LOCATION OF THE HEADQUARTERS OF THE LAYING-UP

FUND (THE FRENCH WANT STRASBOURG, THE GERMANS DUISBURG) AND WHICH ORGANIZATION SHALL PROVIDE THE SECRETARIAT FOR THE SUPERVISORY BOARD. THE COMMISSION HOPES THAT THESE AND A FEW TECHNICAL POINTS WILL BE SETTLED BY AN EC COUNCIL OF FOREIGN MINISTERS DURING THE NEXT SEVERAL MONTHS. A TRANSPORTATION MINISTERS' COUNCIL IN DECEMBER COULD NOT RESOLVE THE ISSUES AND THE COMMISSION DOES NOT WANT TO WAIT FOR ANOTHER TRANSPORTATION MINISTERS' COUNCIL FOR THEIR RESOLUTION.

3. WE HAVE OBTAINED A COPY OF A PROPOSAL FOR AN EC COUNCIL DECISION WHICH WOULD HAVE THE EC COUNCIL DECIDE ON THE FINAL OUTSTANDING ISSUES. AS AN ANNEX TO THE PROPOSAL IS THE DRAFT CONVENTION (AGREEMENT). (THE DOCUMENT IS BEING TRANSMITTED TO EUR/RPE, ATT: A. SENS.) WE ARE REPORTING BELOW ARTICLES RELEVANT TO SHIP-BORNE BARGES.

4. AS REPORTED IN REFTEL E, SHIP-BORNE BARGES WILL NOT BE EXEMPTED FROM THE TAXATION SCHEME. HOWEVER, ALL VESSELS OF 400 METRIC TONS OR LESS WILL BE EXCLUDED FROM THE TAXATION SCHEME ALTHOUGH DURING A TRANSITION PERIOD ONLY VESSELS OF 300 METRIC TONS OR LESS WILL BE EXEMPTED. THIS MEANS THAT BACAT BARGES WILL BE EXEMPTED AT THE OUTSET AND LASH BARGES SUBSEQUENTLY. THE HEAVIER SEABEE BARGES WILL NOT BE EXEMPTED FROM THE TAX.

5. THE DRAFT CONVENTION ALSO CONTAINS THE FOLLOWING PARAGRAPH IN ARTICLE 7: "TAKING DUE ACCOUNT OF THE TECHNOLOGICAL DEVELOPMENTS IN TRANSPORT BY LIGHTER AND SHIP-BORNE LIGHTERS (BARGES) AND OF THE EFFECTS ON COMPETITION WHICH THIS CATEGORY OF VESSEL MAY EXERT WITH RESPECT TO THE OTHER CATEGORIES, THE SUPERVISORY BOARD MAY, BY A UNANIMOUS DECISION OF ALL ITS MEMBERS, MODIFY IN RESPECT OF LIGHTERS, THE TONNAGE LIMITS REFERRED TO IN PARAGRAPH 1(A), "I.E., THOSE MENTIONED IN PARA 4 ABOVE. A COMMISSION OFFICIAL TOLD US THAT THE TAXES WERE IMPOSED ON SHIP-BORNE BARGES BECAUSE THEY HAVE NOT YET BEEN IN THE WATERWAY FOR A SUFFICIENT TIME TO MEASURE THEIR REAL IMPACT ON COM-

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PETITION. DEPENDING ON THE EXPERIENCE, THE TONNAGE LIMITS CAN BE CHANGED TO EITHER ELIMINATE SHIP-BORNE BARGES OR TO INCLUDE THOSE SO FAR NOT COVERED BY THE SCHEME. (ONE MIGHT SEE IN THIS A MINOR NOD TOWARDS THE ARGUMENTS WE PRESENTED TO THE COMMISSION, SEE REFTEL D.)

6. THE PROPOSED RATES FOR SHIP-BORNE LIGHTERS ARE

APPROXIMATELY THE SAME AS THOSE FOR BARGES IN GENERAL. ARTICLE 10, COVERING CHARGES, READS AS FOLLOWS: BEGIN QUOTE 1. THE DAILY CONTRIBUTION FOR EACH VESSEL SHALL BE CALCULATED BY MULTIPLYING ITS EQUIVALENT TONNAGE OR EQUIVALENT ENGINE-POWER BY THE BASIC RATE REFERRED TO IN PARAGRAPH 2.

THE EQUIVALENT TONNAGE AND THE EQUIVALENT ENGINE-POWER SHALL BE CALCULATED BY MULTIPLYING THE REAL DEADWEIGHT OR THE NOMINAL ENGINE-POWER OF THE VESSEL IN QUESTION BY THE ADJUSTMENT COEFFICIENT FOR THAT CATEGORY OF VESSEL.

2. FOR THE FIRST YEAR OF OPERATION OF THE SYSTEM ESTABLISHED BY THIS STATUTE, THE BASIC RATE FOR CONTRIBUTIONS SHALL BE SET AT A SUM EQUIVALENT TO DM 0.0175 IN THE CURRENCY OF THE STATE WHERE THE FUND HAS ITS HEADQUARTERS, AND THE ADJUSTMENT COEFFICIENTS SHALL BE AS FOLLOWS:

ALL TONNAGES	DRY CARGO	LIQUID AND LIQUIFIED CARGO
SELF-PROPELLED VESSELS	1.00	1.50
BARGES	0.35	0.53
LIGHTERS, INCLUDING SHIP- BORNE LIGHTERS	0.33	0.56

ALL UNITS OF HORSEPOWER
TUGS
PUSHER TUGS
END QUOTE

7. ANOTHER ARTICLE (13) IN THE DRAFT CONVENTION PROVIDES THAT TIME SPENT IN SEAPORTS SHALL NOT BE INCLUDED IN CALCULATING TIME IN THE INLAND WATERWAYS AS LONG AS THE VESSEL IS USED FOR LIMITED OFFICIAL USE

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AS THE SHIP-BORNE BARGES DO NOT TRAVEL TO OR FROM A PORT OTHER THAN WHERE THEY HAVE BEEN UNLOADED FROM THE MOTHER SHIP. THIS MAY BE SIGNIFICANT BECAUSE A LYKES LINE OFFICIAL, DURING THE CONVERSATION REPORTED IN REFTEL C, TOLD US THAT THE VAST MAJORITY OF HIS COMPANY'S SHIP-BORNE BARGES DO NOT LEAVE THE HARBOR WHEN THEY ARE OFF-LOADED FROM THE MOTHER SHIP. THEIR MERCHANDISE IS TRANSFERRED TO OTHER BARGES IN THE SAME PORT. THE BELGIANS HAVE PROPOSED THAT THE PERIOD SPENT BY SHIP-BORNE BARGES MOVING BETWEEN TWO SEAPORTS SHOULD NOT BE TAXED BUT THE OTHER MEMBER STATES, THE COMMISSION AND THE SWISS OPPOSE THE BELGIAN POSITION. MORRIS

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